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USTR FOR E. SAUMS AND J. KALLMER.

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TAGS: [ECON](#) [EFIN](#) [ETRD](#) [EG](#)  
SUBJECT: INVESTMENT MINISTER ENCOURAGING ON RENEGOTIATING  
BIT

REF: SAUMS-BUZBEE E-MAIL 25 JUNE 2007

Sensitive but Unclassified, not for Internet distribution.

¶1. (SBU) SUMMARY: GOE experts on bilateral investment treaties (BIT) are currently analyzing a USG proposal to update the US-Egypt BIT and plan to be ready for a technical discussion during a visit to Washington in late October, Minister of Investment Mahmoud Mohieldin told visiting USTR Director for the Middle East Edmund Saums on Aug. 30. END SUMMARY.

¶2. (SBU) USTR's Edmund Saums, visiting Cairo to discuss a range of US-Egyptian trade issues, sought Mohieldin's response to a USG non-paper comparing the language in the existing treaty to a model BIT updated in 2004. The current treaty was signed in 1986 and entered into force in 1992. In a meeting with Saums, DCM, Treasury Attache and econoff, Mohieldin characterized his response to the USG proposal to examine the possibility of a new BIT as positive in principle, although he cautioned that he was not prepared to comment on substantive issues. Mohieldin made similar assurances to the Ambassador in a phone conversation last week.

¶3. (SBU) The Ministry's legal and investment experts are evaluating the current treaty and the issues raised in the USG non-paper. The GOE wants to determine, he said, "what's in it for us."

¶4. (SBU) Mohieldin cautioned that private-sector advocates would have a role to play in commenting on a draft treaty later in the process, but urged that discussions over a BIT update remain in government-to-government channels for now.

¶5. (SBU) Mohieldin will be traveling to Washington in the GOE delegation to the IMF-World Bank meetings Oct. 20-22. He suggested that appropriate USG experts meet with GOE experts at that time for an initial discussion on their findings before the two sides determine whether to move forward.

¶6. (SBU) COMMENT: Post views Mohieldin's encouraging response as an invitation to strengthen our economic dialogue and looks forward to supporting this initiative.

¶6. (U) Saums has cleared on this cable.  
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